



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

February 26, 2020

The Honorable Kumar P. Barve, Chair
House Environment and Transportation Committee
House Office Building, Room 251
Annapolis, MD 21401

Re: House Bill 824 - Beverage Container Deposit Program - Establishment and Advisory Commission

Dear Chair Barve and Members of the Committee:

The Maryland Department of the Environment (MDE) has reviewed House Bill 824 entitled *Beverage Container Deposit Program - Establishment and Advisory Commission* and would like to provide the Committee with some information regarding the proposed legislation.

House Bill 824 would amend Title 9, Subtitle 17 of the Environment Article to require MDE to establish a beverage container deposit program by September 1, 2021. The proposed legislation, through uncodified language, establishes an Advisory Commission to Develop a Beverage Container Deposit Program (the "Advisory Commission"). The Advisory Commission would consist of nine members from various public and private stakeholders, including a representative of MDE, and would be staffed by MDE. The chair of the Advisory Commission would be appointed by the Speaker of the House and the President of the Senate. The Advisory Commission would be required to develop a framework for establishing a beverage container deposit program in the State that achieves certain goals outlined in the proposed legislation and make recommendations on how to implement the program by September 1, 2021. The Advisory Commission's framework and recommendations must be reported to various committees of the General Assembly by December 31, 2020. MDE would be required to establish the beverage container deposit program in accordance with the Advisory Commission's framework and recommendations. The proposed legislation would become effective June 1, 2020, and the uncodified portion establishing the Advisory Commission would sunset June 30, 2021.

MDE supports efforts that increase recycling and reduce the littering of all forms of packaging, including beverage containers. In 2018, Maryland's recycling rate for beverage containers was estimated at 69 percent (including wine and liquor bottles). According to EPA's 2017 national municipal solid waste (MSW) generation data, beverage containers were an estimated 4.48 percent of the total municipal solid waste stream by weight. Litter prevention is important for protecting water quality. Maryland currently has trash total maximum daily loads (TMDLs) under the federal Clean Water Act for the Anacostia River and the Baltimore Harbor.

Currently, ten states and the U.S. territory of Guam have enacted beverage container deposit laws (California, Connecticut, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and

Vermont). These laws generally require a retailer to pay a deposit to the beverage distributor for each container purchased. The consumer pays a deposit to the retailer when buying the beverage, and receives a refund when they return an empty container to a redemption center. The beverage distributor then reimburses the retailer or redemption center the deposit amount for each container returned by a customer, and in most states an additional handling fee. Unredeemed deposits can be remitted to the state, retained by a distributor, or used for program administration. According to the National Conference of State Legislatures, deposit amounts vary from two cents to 15 cents, depending on the volume of the container and type of beverage (<https://www.ncsl.org/research/environment-and-natural-resources/state-beverage-container-laws.aspx>).

MDE can participate in and staff the Advisory Commission with existing resources. The effective date for the Advisory Commission is June 1, 2020, and the Advisory Commission must submit a report of its framework and recommendations for the beverage container deposit program by December 31, 2020. It may be difficult for the Advisory Commission to formulate and draft a report of its framework and recommendations between June 1, 2020 and December 31, 2020. On or before September 1, 2021, MDE would be required to establish the beverage container deposit program in accordance with the Advisory Commission's framework and recommendations. Although the potential framework and recommendations of the Advisory Commission are unknown, at a minimum, MDE would need to adopt regulations and hire new staff to administer and enforce the beverage container deposit program. Once the regulations are adopted, whoever is designated under the framework as the responsible parties for developing a bottle collection infrastructure, setting up accounting standards for remitting and reimbursing deposit fees, and providing reverse vending machines or other collection mechanisms would need to complete these tasks no later than September 1, 2021. The adoption of regulations and, in collaboration with private and public stakeholders, establishing an operational beverage container deposit program within 9 months after the Advisory Commission reports its final framework and recommendations would also be difficult.

Thank you for your consideration. We will continue to monitor House Bill 824 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at tyler.abbott@maryland.gov.

Sincerely,



Tyler Abbott

cc: The Honorable Sara Love
Ms. Kaley Laleker, Director, Land and Materials Administration